



State of New Jersey

Department of Environmental Protection

Richard J. Codey
Acting Governor

Bradley M. Campbell
Commissioner

January 27, 2005

VIA FACSIMILE and US MAIL

Robert Smith
V. P. and Principal Hazardous Material Engineer
TRC Environmental Corporation
5 Waterside Crossing
Windsor, CT 06095

RE: Exit Strategy
Shieldalloy Metallurgical Corporation
Newfield Borough, Gloucester County, New Jersey

Dear Mr. Smith:

As Bruce Venner and I discussed briefly with you on Thursday, January 20, 2005, the New Jersey Department of Environmental Protection (NJDEP) and the United States Environmental Protection Agency (USEPA) have additional questions regarding TRC's proposed Exit Strategy for the Shieldalloy Metallurgical Corporation (SMC) site in Newfield, New Jersey.

Bruce suggested, and you agreed, that TRC should speak directly to USEPA to answer any additional questions they may have. Please contact Trevor Anderson of USEPA at (212) 637-4425 or Kimberly O'Connell at (212) 637-4399, at your earliest convenience.

Please be reminded that the concerns of USEPA must be addressed since their approval is required to release the letter of credit currently posted as financial assurance for the remediation. Both SMC and TRC have said that the release of the letter of credit is critical for the implementation of the exit strategy.

It is possible that the following concerns may be resolved upon the agencies' review of written documents. Thus far we have only heard presentations and received two brief letters from SMC describing the Exit Strategy. At this point in the process the agencies must begin the review of specific documents, not just engage in discussions. Please forward TRC's financial information in support of a self-guarantee and the proposed insurance policy from AIG to both NJDEP and USEPA for review as soon as possible.

1. The major concern of USEPA is that SMC is a Superfund site, and as such has specific financial assurance requirements. TRC has proposed to self-guarantee in accordance with the New Jersey Procedures for Department Oversight of Contaminated Sites, N.J.A.C. 7-26C-7.7. However, EPA may require that TRC also comply with the

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